Return on Investment Program Funding Application (FY 2003 Request)

This is an electronic template. Please enter your responses on this document. Only electronic submittals of this template will be accepted. Proposals submitted after the designated due date may not receive funding consideration.
FINAL AUDIT REQUIRED: The Enterprise Quality Assurance Office of the Information Technology Department is required to perform a final project outcome audit, after implementation, for all Pooled Technology funded projects.

I T   P R O J E C T   E V A L U A T I O N

SECTION I: PROPOSAL

Date: July 15, 2001

Agency Name: Information Technology Department

Project Name: Core Services - Desktop Management Program

Expenditure Name:

Agency Manager: Kathy Cullor

Agency Manager Phone Number / E-mail: (515)281-6125 Kathy.Cullor@ITD.state.ia.us

Executive Sponsor (Agency Director or Designee):   Russ Rozinek

Request For ROI Application Waiver:

Agencies are required to complete this funding application when requesting funds for any project, any IT expenditure costing over $100,000, or any non-routine IT expenditure. <u>If you feel there is compelling reason to waive this requirement, please provide (in the box provided below) a brief description of the project or expenditure, the budget amount, and a rationale for the waiver request.</u> Until a decision is made regarding your waiver request, it is not necessary to complete any other portion of this application. The ITD Enterprise Quality Assurance Office will convey waiver request decisions within five working days of receipt.

Explanation:

A. Project or Expenditure Rationale

Is this project or expenditure necessary for compliance with a Federal standard, initiative, or statute?   ☐ **YES** (If "YES," explain) ☒ **NO**

> **Explanation:**

Is this project or expenditure required by State statute?   ☐ **YES** (If "YES," explain) ☒ **NO**

> **Explanation:**

Does this project or expenditure meet a health, safety or security requirement?
☐ **YES** (If "YES," explain) ☒ **NO**

> **Explanation:**

Is this project or expenditure necessary for compliance with an enterprise technology standard?
☐ **YES** (If "YES," explain)　☒ **NO**

> **Explanation:**

Is this project or expenditure consistent with meeting the goals and objectives of the State's strategic plans?
☒ **YES** (If "YES," explain)　☐ **NO**

> **Explanation:**　This is consistent with the Governor's "Accountable Government" goals and objectives.

Is this a "research and development" project or expenditure?　☐ **YES** (If "YES," explain)　☒ **NO**

> **Explanation:**

B. Project or Expenditure Summary

1. Provide a pre-project or pre-expenditure (before implementation) and a post-project or post-expenditure (after implementation) description of the impacted system or process. In particular, note if the project or expenditure makes use of information technology in reengineering traditional government processes.

> **Response:**　Enterprise Desktop Management and costs related to the operations of computers: This is a three-year project of 1,000 desktops in 2003, 2,000 desktops in 2004 and 3,000 desktops in 2005. This program will save ITD and other agencies computer hardware, software, and maintenance costs. A pilot of approximately 300 desktops during Fiscal 2002.
>
> Pre-project - Each individual agency is responsible for evaluating, purchasing / leasing, maintaining, and upgrading their own computer hardware and software. This can result in inefficient, ineffective, and non-standardized acquisitions.
>
> Post-project - Conduct "total cost of ownership" study which takes into account the following items:
> 1. Initial purchase prices
> 2. Installation and distribution of PCs
> 3. Purchase of software and training staff
> 4. Cost effectiveness of purchasing equipment at the right time
> 5. Time lost by users when server is down or PC fails
> 6. Cost of administering users (login, security, etc)
> 7. Cost of space, security and environment for server (air conditioned server room)
> 8. Cost of administering and maintaining backups
> 9. Cost of employing technicians to diagnose and repair network or PCs
> 10. Cost of auditing equipment
> 11. Cost of constant hardware evaluation
> 12. System and server upgrades
>
> After completion of the study, evaluate various identified cost alternatives and determine which one provides the best return on investment. Structure an implementation methodology to achieve the best outcome.

2. Summarize the extent to which the project or expenditure improves customer service to Iowa citizens or within State government. Included would be such items as improving the quality of

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life, reducing the government hassle factor, providing enhanced services, improving work processes, etc.

Response: This expenditure will permit State government to more efficiently and effectively respond to the ever-changing IT environment. This approach will facilitate and standardize the manner in which government will more thoughtfully and cost-effectively serve its citizen constituents.

3. Identify the main project or expenditure stakeholders and summarize the extent to which each, especially citizens, is impacted. In particular, note if the project or expenditure helps reconnect Iowans to State government.

Response: This is a state government enterprise effort which impacts service delivery to most Iowa citizens.

SECTION II: PROJECT ADMINISTRATION

A. Agency Information

1. <u>Project Executive Sponsor Responsibilities</u>: The sponsor must have the authority to ensure that adequate resources are available for the entire project, that there is commitment and support for the project, and that the organization will achieve successful project implementation.

   Response: No response required.

2. <u>Organization Skills</u>:
   a. List the project management skills necessary for successful project implementation
   b. List the project management skills available within the agency
   c. List the source(s) of project management skills lacking within the agency
   d. Summarize relevant agency project management experience and results

   > **Response:** a. IT technical skills, TCO skills, reverse auction and purchasing skills, enterprise project management skills; b. Majority of skills are available within the agency; c. TBD; d. ITD has a long history of successfully managing complex IT projects that have multi-agency impact.

B. Project Information

1. <u>History</u>:
   a. Is this project the first part of a future, larger project? If so, please explain.
   b. Is this project a continuation of a previously begun project? If so, please explain project history, current status, and results.

   > **Response:** a. No; b. This is the second year of a three-year project. The first year (FY03) involves 1,000 managed desktops, the second year (FY04) involves 2,000 managed desktops, and the third year (FY05) involves 3,000 desktops. An RFP is being developed for the first year of this project.

2. <u>Expectations</u>: Describe the primary purpose or reason for the project.

   > **Response:** To standardize and maintain information technology (hardware, software, etc.) in a cost-effective manner.

3. <u>Measures</u>: Describe the criteria that will be used to determine if the project is successful.

   > **Response:** Customer satisfaction and savings.

4. <u>Environment</u>: List the project participants (i.e. single agency, multiple agencies, State government enterprise, citizens, associations, or businesses, etc.).

IT PROJECT EVALUATION

Response: State government enterprise, citizens, associations and businesses.

5. Risk: Describe the project risks which may be internal or external to State government, i.e. implementing versus not implementing project, changing technology, potential cost overruns, changing citizen demand or need, etc.

> **Response:**   IT costs may not improve. State government customers may be dissatisfied with this approach to IT service delivery.

6. Security / Data Integrity / Data Accuracy / Information Privacy
    a. List the security requirements of the project
    b. Describe how the security requirements will be integrated into the project and tested
    c. Describe what measures will be taken to insure data integrity, data accuracy and information privacy.

> **Response:**   a. The ITD Information Security Office will have a material involvement with this effort and will provide direction on all security issues; b. See "a"; c. See "a"

7. Project Schedule
    Describe general time lines, resources, tasks, checkpoints, deliverables, responsible parties, etc.

> **Response:**   TBD, unknown at this time.

SECTION III: TECHNOLOGY **(In written detail, describe the following)**

A. Current Technology Environment
   1. <u>Software (Client Side / Server Side / Midrange / Mainframe):</u>
      a. Application software
      b. Operating system software
      c. Major interfaces to other systems, both internal and external

> **Response:**   a. Office 2000, Office 97 and Office 95 for the application software; b. Windows 95, 98 and Windows 2000, Novell, NT; c. Mainframe and SANS

   2. <u>Hardware (Client Side / Server Side / Mid-range / Mainframe):</u>
      a. Platform, operating system
      b. Storage and physical environment
      c. Connectivity and bandwidth
      d. Logical and physical connectivity
      e. Major interfaces to other systems, both internal and external

> **Response:**   a. AIX, NT, Server 2000, OS390, Shark; b. SANS; c. 100mb feed, fiber channel; d. Campus backbone; e. SANS, mainframe, internet, intranet

B. Proposed Technology Environment

   1. <u>Software (Client Side / Server side / Mid-range / Mainframe)</u>
      a. Application software
      b. Operating system software
      c. Major interfaces to other systems, both internal and external
      d. General parameters if specific parameters are unknown or to be determined

> **Response:**   See "A1" above

   2. <u>Hardware (Client Side / Server Side / Mid-range / Mainframe)</u>
      a. Platform, operating system
      b. Storage and physical environment
      c. Connectivity and Bandwidth
      d. Logical and physical connectivity
      e. Major interfaces to other systems, both internal and external
      f. General parameters if specific parameters are unknown or to be determined

> **Response:**   See "A2" above

C. Data Elements
   If the project creates a new database, provide a description of the data elements.

State of Iowa – Return on Investment Program – IT Project Evaluation

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Response:	N/A

SECTION IV: Financial Analysis

A. Budget: Enter figures and calculate (see formula below) Total Annual Prorated Cost (State Share).

$$\left[\left(\frac{Budget\ Amount}{Useful\ Life}\right)\times\%\ State\ Share\right]+\left(Annual\ Ongoing\ Cost\times\%\ State\ Share\right)=Annual\ \Pr orated\ Cost$$

Budget Line Items	Budget Amount (FY03 Request)	Useful Life (Years)	% State Share	Annual Ongoing Cost (After 1st Year)	% State Share	Annual Prorated Cost
Agency Staff	$180000	1	100%	$	100%	$
Software	$200,000	4	100%	$	100%	$
Hardware	$1,780,000	3	100%	$	100%	$
Training	$10,000	4	100%	$	100%	$
Facilities	$	1	%	$	%	$
Professional Services	$50,000	4	100%	$	100%	$
ITD Services	$50,000	4	100%	$	100%	$
Supplies, Maint, etc.	$	1	%	$	%	$
Other (Specify)	$20,000	1	100%	$	100%	$
Totals	$2,290,000	-------	-------	$	------	$

Transfer this amount to the ROI Financial Worksheet, item "D" on page 12.
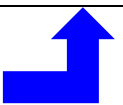
B. Funding: Enter data or provide response as requested

1. This is (pick one):   ☐ A Pooled Technology Fund or Reengineering Fund Request
                          ☒ An Agency IT Expenditure or Budget Request (General Fund, Road
                              Funds, etc)
                          ☐ Other – Specify:

2. On a fiscal year basis, enter the estimated cost by funding source?

	FY03		FY04		FY05	
	Cost ($)	% Total Cost	Cost ($)	% Total Cost	Cost ($)	% Total Cost
State General Fund	$2,290,000	100%	$4,580,000	100%	$6,870,000	100%
Pooled Tech. Fund	$	%	$	%	$	%
Federal Funds	$	%	$	%	$	%
Local Gov. Funds	$	%	$	%	$	%
Grant or Private Funds	$	%	$	%	$	%
Other Funds (Specify)	$	%	$	%	$	%
Total Project Cost	$2,290,000	100%	$4,580,000	100%	$6,870,000	100%

If applicable, summarize prior fiscal year funding experience for the project / expenditure.

> **Response:**   Estimated FY02 cost = $594,000

1. On a fiscal year basis, how much of the total ($ amount and %) project / expenditure cost would
   be <u>absorbed</u> by your agency from normal operating budgets (all funding sources)?

> **Response: N/A**

2. Identify, list, and quantify all <u>new annual ongoing</u> (maintenance, staffing, etc.) related costs (State
   $s) that will be incurred after implementation or expenditure.

> **Response:**   TBD

C. ROI Financial Worksheet: Respond to the following and transfer data to the ROI Financial
Worksheet (see IVC11) as necessary:

1. Annual Pre-Project Cost – Quantify all <u>actual</u> state government direct and indirect costs
   (personnel, support, equipment, etc.) associated with the activity, system or process <u>prior to</u>
   project implementation. This section should be completed only if state government
   <u>operations</u> costs are expected to be reduced as a result of project implementation.

> **Response:**   Unknown - TBD

2. Annual Post-Project Cost – Quantify all <u>estimated</u> State government direct and indirect costs associated with activity, system or process <u>after</u> project implementation. This section should be completed only if State government <u>operations</u> costs are expected to be reduced as a result of project implementation.

> **Response:** Unknown - TBD

3. State Government Benefit -- Subtract the total "Annual Post-Project Cost" from the total "Annual Pre-Project Cost." This section should be completed only if State government <u>operations</u> costs are expected to be reduced as a result of project implementation.

> **Response:** Unknown - TBD

4. Citizen Benefit – Quantify the estimated annual value of the project to Iowa citizens**.** This includes the "hard cost" value of avoiding expenses ("hidden taxes") related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on or waiting for the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses. As a "rule of thumb," use a value of $10 per hour for citizen time savings and $.325 per mile for travel cost savings.

> **Response:** TBD

5. Opportunity Value/Risk or Loss Avoidance Benefit – Quantify the estimated annual <u>non-operations</u> benefit to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or federal laws, providing enhanced services, avoiding the consequences of not complying with enterprise technology standards, etc.

> **Response:** TBD

6. Total Annual Project Benefit -- Add the values of all annual benefit categories.

> **Response:** TBD

7. Total Annual Prorated Cost – It is necessary to <u>estimate and assign</u> a useful life figure to <u>each</u> cost identified in the project budget. Useful life is the amount of time that project related equipment, products, or services are utilized before they are updated or replaced. In general, the useful life of hardware is three (3) years and the useful life of software is four (4) years. Depending upon the nature of the expense, the useful life for other project costs will vary between one (1) and four (4) years. On an exception basis, the useful life of individual project elements or the project as a whole may exceed four (4) years. Additionally, the ROI calculation must include all <u>new</u> annual ongoing costs that are project related. Completing <u>Section IV-A, Project Budget</u> of the evaluation document will provide all the necessary information for this item.

> **Response:**   TBD

8.   Benefit / Cost Ratio – Divide the "Total Annual Project Benefit" by the "Total Annual Project Cost." If the resulting figure is greater than one (1.00), then the annual project benefits exceed the annual project cost. If the resulting figure is less than one (1.00), then the annual project benefits are less than the annual project cost.

> **Response:** TBD

9.   ROI -- Subtract the "Total Annual Project Cost" from the "Total Annual Project Benefit" and divide by the amount of the requested State IT project funds.

> **Response:**   TBD

10.   Benefits Not Readily Quantifiable -- List the project benefits which are not readily quantifiable (i.e. IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.). Rate the importance of these benefits on a "1 – 10" basis, with "10" being of highest importance. Check the "Benefits Not Readily Quantifiable" box in the applicable row.

> **Response:**   Standardize and maintain information technology (hardware, software, etc.) in a cost-effective manner. - 10

11. ROI Financial Worksheet

IT PROJECT EVALUATION

Annual Pre-Project Cost - How You Perform The Function(s) Now

FTE Cost (salary plus benefits):	$
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	$
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	$
A. Total Annual Pre-Project Cost:	$

Annual Post-Project Cost – How You Propose to Perform the Function(s)

FTE Cost:	$
Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):	$
Other Cost (expense items other than FTEs & support costs, i.e. indirect costs if applicable, etc.):	$
B. Total Annual Post-Project Cost:	$
State Government Benefit (= A-B):	$

Annual Benefit Summary

State Government Benefit:	$
Citizen Benefit:	$
Opportunity Value or Risk/Loss Avoidance Benefit:	$
C. Total Annual Project Benefit:	$
D. Annual Prorated Cost (SECTION IV-A):	$
Benefit / Cost Ratio: (C / D) =	
Return On Investment (ROI): (C – D) / Requested Project Funds) x 100 =	%

x Benefits Not Readily Quantifiable

Section V: ITC Project Evaluation Criteria

	Criteria and Location in Project Evaluation Document	Points
1.	Is the project a statutory requirement; legal requirement; federal or state mandate; health, safety or security requirement or issue; and/or required for compliance with the enterprise technology standards? **Location: Section I-A**	**15**
2.	Will the project improve customer service? **Location: Section I-B.2**	**15**
3.	Does the project have a direct impact on citizens? To what extent does the project help reconnect state government with Iowans? **Location: Section I-B.3**	**10**
4.	Does the project provide a sufficient tangible and/or intangible return on investment? Will it generate savings or income? **Location: Section IV-C**	**10**
5.	Does the project make use of information technology and its practical application in reengineering traditional government processes consistent with the goals and objectives of the state's strategic plans? **Location: Section I-B.1**	**10**
6.	Risk: What are the risks associated with the project? Such risks may include those internal and external to state government, the risk of doing a project, the risk of not doing a project, and the risks associated with changing technologies, potential cost overruns, and changing citizen demands and needs. **Location: Section II-B.5**	**10**
7.	Is this funding required to continue a project that was begun prior to the year funding is being requested for and does it have proven past performance? Is the funding part of a multi-year strategy? **Location: Section II-B1, IVB2**	**10**
8.	Will the project be for only one agency, multiple agencies, or the state government enterprise? **Location: Section I-B3, IIB4**	**10**
9.	Has the applicant maximized their own and other resources in the project? Is alternative funding unavailable for this project? (If no other funding available, project will not be completed without Pooled Technology funding) **Location: Section IV-B.2, IV-B.3**	**5**
10.	What is the credibility of the requester based on past performance on other projects? **Location: Section II-A.2.d**	**5**
	Total	**100**

(Left vertical sidebar text: IT PROJECT EVALUATION)